

values is responsible, and nothing but a tax on land values will reduce it. The income tax is a failure. It defeats its object. We don't want to tax the man who earns \$3,000; we only want to tax the man who gets \$3,000 or more for doing nothing." If there were more Scott Nearings in the economic departments of universities there would be more cause to respect these institutions.

S. D.



The Right to Work.

To the Congressional investigating committee Mr. John D. Rockefeller, Jr., said: "Free American citizens should have the right to choose the employer for whom they shall work and the conditions under which they shall work." Furthermore he declared that to defend this right he and his associates "stand ready to lose every cent we have invested." Mr. Rockefeller did not realize the full meaning of his words. He had in mind regulation by labor organizations and the demand for a closed shop. He fails to see that the open shop plan will not give American citizens "the right to choose the employer for whom they shall work and the conditions under which they shall work." Under the open shop, as under the closed shop, opportunities will be monopolized as now. American citizens will still be denied the right to work without permission of those in control of these opportunities. Labor organizations, to some extent, alleviate as far as their own members are concerned, the hard conditions imposed through monopolization of opportunity. To accomplish this they must insist on harsh and tyrannical regulations against which no objection can consistently be raised by those who object to abolishing the monopoly of opportunity. That makes labor organizations with all their rules and regulations a necessity.



If Mr. Rockefeller honestly wants American citizens to enjoy industrial freedom he will do what he can to put an end to monopoly of natural resources. That would injure him financially, it is true, but in view of his expression of willingness "to lose every cent we have invested" in defense of industrial freedom he should not be expected to hesitate for that reason. It is true that the Rockefeller interests did not show such devotion to industrial freedom in Colorado in 1902. In that year the Bucklin Australasian Tax Amendment was before the voters. Had it been adopted it would have opened the way to releasing Colorado's resources from the grasp of monopoly and would have made it possible for Colorado's labor-

ers, unorganized as well as organized, "to choose the employer for whom they would work and the conditions under which they would work." But the interests for whom Mr. Rockefeller now speaks did not favor this amendment. They bitterly opposed it. Why? They were very much afraid of financial loss. There was no thought whatever of sacrificing everything for the cause of liberty. Whatever was sacrificed was in opposition to that cause. Has Mr. Rockefeller come to see matters in a different light? His words strictly construed would indicate so, but in all probability he does not realize their true meaning, and he would probably deny having actually meant what he said.

S. D.



Abolishing Interest.

The abiding faith of the average citizen in the omnipotence of Congress, or a State Legislature, promises a long career for the political charlatan. Whatever may be the result desired, pass a law. If the result sought does not follow, pass another law. The more laws the better—at least for the lawyers. If wages are too low, or prices too high, pass a law. If the Alabama planter persists in his desire to exchange his cotton for the Manchester weaver's cloth, pass a law compelling him to trade with the French Canadian weaver in Rhode Island. And now comes a correspondent who wishes to abolish interest by law. After citing the state laws that fix the legal rate of interest—which he speaks of as a legal privilege—he says: "By the same power we can modify or reduce the privilege downward. Why not four per cent, or two per cent—why not abolish interest (privilege) entirely?"



This conclusion comes from the old error of supposing that because two things occur in conjunction one must be the cause of the other. Legislatures make laws fixing the legal rate of interest, and in a general way the interest of those States corresponds to those laws; therefore, reasons our critic, the law must control the interest. If that were all there were to the question, it would, indeed, be a simple matter; for the same power that fixes the rate as six per cent could fix it at three, or, as our correspondent suggests, abolish it altogether. But would actual interest fall in compliance with the law of the Legislature. If that were so, how shall we account for the fact that interest is higher in the newer States than in the older communities? Surely low interest is needed in the frontier settlements, if anywhere. Yet Wyoming, Colorado, and Utah have fixed the legal

rate at eight per cent, while such states as Massachusetts, New York, and Pennsylvania, limit it to six per cent. Wyoming would like to have six per cent money, but would a six per cent law secure it? It costs on the average two per cent more to lend money in Wyoming than in New York, and if the Wyoming Legislature were to fix the rate at six per cent, it would tend to drive capital out of the State. Should Missouri pass a law fixing the rate at two per cent, as the correspondent suggests, and should enforce it, a great part of its capital would flow into other States. It would not all leave, but such as did remain would be loaned secretly at fifteen or twenty per cent. For the same reason that makes Wyoming interest higher than New York interest would raise Missouri interest to a point that would cover the difficulty of doing business in that State.



This confusion regarding interest is largely due to the thought that interest is paid for money. It is not. No one borrows money to keep. The money is merely a medium of distributing credits, a sort of universal system of bookkeeping. What the borrower really gets is tools, goods, or some other form of wealth. The money borrowed from the bank is immediately passed over to the maker of tools, let us say, which gives him the use of capital that he could not otherwise have until he had produced it himself. He may start business with a thousand dollar plant, and add to his capital from his profits; or he may borrow another thousand dollars and begin with a larger plant. Whether or not he borrows will depend upon the relative rate of profit that is likely to accrue to the smaller or the larger plant. If he does borrow it will be the plant, and not the money, on which he pays interest; and that interest cannot be abolished until plants are more plentiful than borrowers. Real interest is not affected by legislation; it is controlled by supply and demand.

s. c.



FOR THE OPEN COUNTRY.

I read this morning that in forty principal cities of this country the price of staple articles of food has risen sixty-five per cent since 1899. Is it not sufficient answer to the cause for this startling increase to tell the equally amazing statistics concerning the growth of cities and towns during the same period? If it is not the whole answer, is it not at least the main answer? To the common man, unperplexed by learned reasonings concerning the production of gold, is it not clear that if we have fewer hogs and cattle

in proportion to population, that if we have each year fewer people raising potatoes, cabbages and chickens in proportion to those who are holding or hunting jobs in the cities and towns, the price of these things will naturally rise?

In spite of the numerous conferences and commissions on the subject of rural improvement, in spite of the often heard cry of back to the land, it seems that a full recognition of the importance of the subject is very far from being realized. Meetings are held on twentieth floors in big cities where there is unco serious discussion about rural churches, rural schools, farmers' wives, etc.; we have been doing this now for a dozen years or more; yet, if any one will drive ten miles, away from the railroad, in almost any part of the country, he will see how little is even beginning to be done in the way of making the rural neighborhood a more inviting place. The country is there with all its beauty of tree and plant and rolling field, but man's work for comfort, convenience, education, social intercourse and amusement is largely lacking. The farmer's wife is still beset with inconveniences, while she hears and reads of the marvelously increased comforts of her city sister. The country schoolhouse is a poor shack of a building in comparison with the school in even the country town. There is little social life, not even the good old cornshuckings. There is church once, or perhaps twice, a month. The modern boys and girls born in the country begin from early years to look forward to quitting.

The talk of back to the land and of colonization schemes is mostly futile. Life in the city takes the nerve out of people for the life in the open country. Some one has wittily remarked that the only genuine outcry of back to the land came from the family in Noah's Ark. Certainly those of us today who are doing the talk do not want to go back. It is the other man whom we want to have go back, and he does not want to go any more than we do. It is a pressing problem how to check the lure of the town, how to have more of our people raising hogs and vegetables. Mr. Roosevelt well said, in the introduction to the report of his Commission on Country Life: "We were founded as a nation of farmers, and in spite of the great growth of our industrial life it still remains true that our whole system rests upon the farm, that the welfare of the whole community depends upon the welfare of the farmer. The strengthening of country life is the strengthening of the whole nation."

Something might actually be accomplished by directing all efforts toward holding those in the